

OFFICIAL FILE

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ORIGINAL

ILLINOIS COMMERCE COMMISSION

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Utilities, Inc.  
Holiday Hills Utilities, Inc.  
Community Service Corporation

Application for: (1) authorization to carry out the terms of a Purchase Agreement between Utilities, Inc. and Community Service Corporation providing for the acquisition by the former of all of the assets of the latter; (2) cancellation of the Certificate of Public Convenience and Necessity currently held by Community Service Corporation and authorization for it to abandon its public utility business; (3) issuance to Holiday Hills Utilities, Inc. of a Certificate of Public Convenience and Necessity for the properties and assets to be transferred to it under the Purchase Agreement and the service area currently served by Community Service Corporation; (4) authorization for Holiday Hills Utilities, Inc. to adopt for the service area presently served by Community Service Corporation, the rates, rules and regulations presently applicable in that area; (5) authorization for Holiday Hills Utilities, Inc. to enter into a service contract with Water Service Corp., a subsidiary of Utilities, Inc., for the furnishing of certain administrative, engineering, operating, accounting, legal, construction, billing, and customer relations services by Water Service Corp.

00-0763

JOINT PETITION

To the Illinois Commerce Commission:

Utilities, Inc., Holiday Hills Utilities, Inc. and Community Service Corporation, sometimes hereinafter referred to jointly as "Petitioners," seek approval from the Illinois Commerce Commission for Holiday Hills Utilities, Inc. to purchase the assets of Community Service Corporation, for Holiday Hills Utilities, Inc. to continue the public utility business of Community Service Corporation, in a substantially unchanged manner, and for related matters as more specifically set forth in this Petition. The Closing Date for the proposed purchase will be within thirty days following approval of this petition by the Commission.

In support of their Petition, Petitioners state as follows:

I. The Parties to the Proposed Transaction

1. Utilities, Inc. is the parent company of Holiday Hills Utilities, Inc. Holiday Hills Utilities, Inc. is incorporated under the laws of the State of Illinois, and Utilities, Inc. hereby requests permission to assign the rights under the Purchase Agreement entered into by Utilities, Inc. and Community Service Corporation (the "Agreement", attached as Exhibit A) to Holiday Hills Utilities, Inc. (In light of the proposed assignment, which is required by the

Agreement, and the fact that Holiday Hills Utilities, Inc. will be the regulated entity, for purposes of clarity and simplicity all rights and obligations of Utilities, Inc. under the Agreement and applicable law will be referred to in this Petition as rights and obligations of Holiday Hills Utilities, Inc.) Holiday Hills Utilities, Inc. will furnish public utility water service to the Community Service Corporation's 240 customers in McHenry County, Illinois. Utilities, Inc. also owns twenty-one other water and sewer utility companies in the state of Illinois, serving approximately 9,900 water customers and 2,500 sewer customers.

2. All of the issued and outstanding shares of stock of Holiday Hills Utilities, Inc. are and will be owned by Utilities, Inc., an Illinois corporation.

3. As a result of discussions between Holiday Hills Utilities, Inc. and Community Service Corporation concerning the possible sale of Community Service Corporation's public utility property and assets to Holiday Hills Utilities, Inc., the parties entered into the Agreement.

4. Pursuant to and in accordance with the terms of the Agreement, Community Service Corporation will deliver to Holiday Hills Utilities, Inc. all of Community Service Corporation's right, title, and interest in and to all of the properties and assets of Community Service Corporation for the purchase price of \$150,000 for the water facilities, increased by the amount of any cash or current accounts receivable transferred by Community Service Corporation to Holiday Hills Utilities, Inc. and decreased by any liabilities assumed by Holiday Hills Utilities, Inc.

5. From and after the Closing Date, Holiday Hills Utilities, Inc. intends to continue Community Service Corporation's public utility business in a substantially unchanged manner, except that the business will be operated as a subsidiary of Utilities, Inc. The Community Service Corporation service area will be subject to a tariff separate from the tariff(s) applicable to the customers of each other Utilities, Inc. operating public utility subsidiary, and the operating and maintenance expenses attributable to the Community Service Corporation service area will be ascertainable, allowing for a separate rate determination of its cost of service in order to prevent cross-subsidization of operating and maintenance expenses between customer groups.

6. No officer or director of Holiday Hills Utilities, Inc. owns any stock of Community Service Corporation or has any interest in the proposed transaction within the meaning of Section 6-102 of the Public Utilities Act, 220 ILCS 5/101 et seq. (the "Act"); nor do Holiday Hills Utilities, Inc. and Community Service Corporation have any officers or directors in common.

7. Petitioners do not anticipate any opposition by any public utility, municipal

corporation, person, firm, or corporation to the transaction proposed herein, or to the continued operation and maintenance of Community Service Corporation's public utility assets and properties by Holiday Hills Utilities, Inc., or to Holiday Hills Utilities, Inc.'s carrying on of the business of furnishing public water utility service in the area currently served by Community Service Corporation

8. Accordingly, Holiday Hills Utilities, Inc. and Community Service Corporation seek the consent and approval of this Commission, under Section 7-102 of the Act, for the purchase by Holiday Hills Utilities, Inc. of Community Service Corporation's public utility assets as set forth in the Agreement.

## **II. The Service Contract Agreement**

9. Upon Commission approval of Holiday Hills Utilities, Inc. to enter into the service contract with Water Service Corp., Holiday Hills Utilities, Inc. agrees to pay Water Service Corp. the cost (not including profit) of the services to be furnished by Water Service Corp. These services are necessary in the conduct of business as a public utility. The Commission has previously approved the Water Service Corp. agreement for all of Utilities, Inc.'s Illinois subsidiaries, for the furnishing of certain administrative, engineering, operating, accounting, legal, construction, billing and customer services by Water Service Corp.

10. Accordingly, Holiday Hills Utilities, Inc. requests the consent and approval of this Commission, under Section 7-101 of the Act, to enter into the service contract with Water Service Corp.

## **III. Community Service Corporation's Proposed Abandonment of Its Utility Business**

11. Community Service Corporation will operate and maintain its public utility business until the Closing Date. From and after the Closing Date, Community Service Corporation proposes to abandon its public utility business and Holiday Hills Utilities, Inc. proposes to carry on the public utility business now conducted by Community Service Corporation.

12. Community Service Corporation seeks the approval of this Commission, under Section 8-508 of the Act, to discontinue, as of the Closing Date, public utility service in the Community Service Corporation service area and cancellation of its Certificate of Public Convenience and Necessity to provide said public utility service.

## **IV. Proposed Issuance to Holiday Hills Utilities, Inc. of a Certificate of Public Convenience and Necessity**

13. The public convenience and necessity requires the proposed transaction and, accordingly, Holiday Hills Utilities, Inc. requests that the Commission, under Section 8-406 of the Act, grant Holiday Hills Utilities, Inc. a Certificate of Public Convenience and Necessity to operate and maintain the water system and to engage in the business of furnishing public water utility service in the Community Service Corporation service area. Holiday Hills Utilities, Inc. further requests that this area, the legal description of which is contained in the attachment to Exhibit A, be defined in the Order entered in this proceeding and that the Certificate of Public Convenience and Necessity requested by Holiday Hills Utilities, Inc. be effective from and after the Closing Date.

V. Proposed Rates, Rules and Regulations

14. From and after the Closing Date, Holiday Hills Utilities, Inc. proposes to provide water utility service to the public pursuant to the rates, rules, regulations, and terms and conditions of service which have been approved by this Commission and which are currently in effect in the Community Service Corporation service area, subject to any changes hereafter approved by the Commission, and to continue all services currently provided by Community Service Corporation without interruption or change.

15. Accordingly, Holiday Hills Utilities, Inc. requests the consent and approval of the Commission to provide public water utility service in the Community Service Corporation area pursuant to the rates, rules, requirements, and terms and conditions of service from and after the Closing Date as set forth in this petition.

VI. The Proposed Financing of Transactions of Holiday Hills Utilities, Inc. by Utilities, Inc., an Affiliated Interest

16. Holiday Hills Utilities, Inc. proposes to finance its acquisition of the property and assets of Community Service Corporation through funds provided by Utilities, Inc. These funds will consist of approximately 53% debt and 47% equity, which approximates the existing capital structure of Utilities, Inc. and its subsidiaries. Intercompany funding provides the lowest cost of financing for Holiday Hills Utilities, Inc. As stated above, Holiday Hills Utilities, Inc. is a wholly-owned subsidiary of Utilities, Inc., and the two are therefore an "affiliated interest" of each other within the meaning of Section 7-101 of the Act.

17. The proposed financing will not have adverse financial consequences for Utilities, Inc. or Holiday Hills Utilities, Inc., nor will the proposed financing have adverse financial consequences for Community Service Corporation's customers who will be served by Holiday Hills Utilities, Inc. after the acquisition.

18. Accordingly, Holiday Hills Utilities, Inc. requests the consent and approval of the

Commission, under Section 7-101 of the Act, to finance the acquisition through intercompany funding by Utilities, Inc.

VII. Proposed Reorganization

19. The proposed transaction between Holiday Hills Utilities, Inc. and Community Service Corporation constitutes a reorganization as defined by Section 7-204(a) of the Act. With respect to the proposed reorganization, Holiday Hills Utilities, Inc. and Community Service Corporation state that:

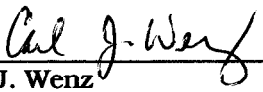
- (a) the proposed reorganization will not diminish Holiday Hills Utilities, Inc.'s ability to provide adequate, reliable, efficient, safe and least-cost public utility service;
- (b) the proposed reorganization will not result in the unjustified subsidization of non-utility activities by Holiday Hills Utilities, Inc. or its customers;
- (c) costs and facilities are fairly allocated between utility and non-utility activities in such a manner that the Commission may identify those costs and facilities which are properly included by Holiday Hills Utilities, Inc. for ratemaking purposes;
- (d) the proposed reorganization will not significantly impair Holiday Hills Utilities, Inc.'s ability to raise necessary capital on reasonable terms or to maintain a reasonable capital structure;
- (e) Holiday Hills Utilities, Inc. will remain subject to all applicable laws, regulations, rules, decisions and policies governing the regulation of Illinois public utilities;
- (f) the proposed reorganization is not likely to have a significant adverse effect on competition in those markets over which the Commission has jurisdiction; and
- (g) the proposed reorganization is not likely to result in any adverse rate impacts on retail customers.

20. Accordingly, Holiday Hills Utilities, Inc. and Community Service Corporation request the consent and approval of this Commission, under Section 7-204(b) of the Act, to effect the proposed reorganization.

WHEREFORE, Holiday Hills Utilities, Inc. and Community Service Corporation request that the Commission enter an order granting authorization, consent, and approval of the transactions described in this Joint Petition and specifically to:

- (1) authorize Holiday Hills Utilities, Inc. and Community Service Corporation to perform the Agreement providing for the transfer to Holiday Hills Utilities, Inc. of all of Community Service Corporation's right, title, and interest in and to all of the property and assets;
- (2) authorize Holiday Hills Utilities, Inc. to finance the acquisition through funds provided by Utilities, Inc.;
- (3) cancel all Certificates of Public Convenience and Necessity which Community Service Corporation possesses for providing public utility service and authorize Community Service Corporation's abandonment of its public utility business;
- (4) grant to Holiday Hills Utilities, Inc. a Certificate of Public Convenience and Necessity authorizing Holiday Hills Utilities, Inc. to operate and maintain the water system and facilities of Community Service Corporation and to continue to transact the business of furnishing public water utility service;
- (5) authorize Holiday Hills Utilities, Inc. to adopt for the Community Service Corporation service area, the rates, rules, regulations, and terms and conditions of service presently applicable in that area, and as may hereafter be approved by this Commission;
- (6) authorize Holiday Hills Utilities, Inc. to enter into the service contract with Water Service Corp. for services necessary in the conduct of business as a public utility; and
- (7) authorize Holiday Hills Utilities, Inc. and Community Service Corporation to perform any and all other acts which may be necessary or desirable to carry out the provisions of the Agreement.

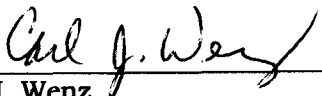
Respectfully submitted,

  
\_\_\_\_\_  
Carl J. Wenz  
Vice President of Regulatory Matters


Utilities, Inc.  
Holiday Hills Utilities, Inc.  
2335 Sanders Rd.  
Northbrook, Illinois 60062  
(847) 498-6440

**VERIFICATION**

I, CARL J. WENZ, first being duly sworn upon oath depose and say that I am VICE PRESIDENT, REGULATORY MATTERS, of UTILITIES, INC., an ILLINOIS corporation; that I have read the above and foregoing petition subscribed by me and know the contents thereof; that said contents are true in substance and in fact, except as to those matters stated upon information and belief, and as to those, I believe same to be true.

  
\_\_\_\_\_  
Carl J. Wenz

SWORN TO and subscribed  
before me this 30th day  
of November, 2000.

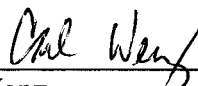
  
\_\_\_\_\_  
Notary Public



## CERTIFICATE OF SERVICE

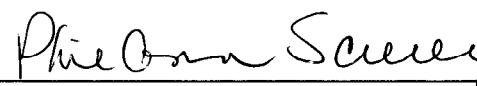
I, Carl Wenz, hereby state, under penalty of perjury, to the best of my knowledge that a true copy of the foregoing Petition was served upon the following municipality, which is the only municipality located partly or wholly within, or having a corporate boundary line 1.5 miles from, the proposed service area:

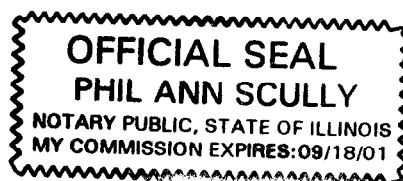
Holiday Hills Village Clerk  
1304 Sunset Street  
McHenry, IL 60050

  
\_\_\_\_\_  
Carl Wenz  
Vice-President of Regulatory Matters

STATE OF ILLINOIS     )  
                                  ) SS.  
COUNTY OF COOK     )

On November 30, 2000, CARL WENZ personally appeared before me and acknowledged that this instrument was executed as such person's free act and deed.

  
\_\_\_\_\_  
Notary Public





**COMMUNITY SERVICE CORPORATION - ASSET PURCHASE AGREEMENT**

**MCHENRY, ILLINOIS**

This Agreement is entered into on this 2<sup>nd</sup> day of November, 2000 by and between Community Service Corporation, an Illinois corporation, (hereinafter referred to as "Seller") and Utilities, Inc., an Illinois corporation (hereinafter referred to as "Purchaser").

**WITNESSETH**

WHEREAS, the Seller is the owner of a water utility system which has been installed to provide central water service to approximately 230 customers within McHenry, Illinois, and more fully described on **Exhibit 1**, attached, (hereinafter referred to as the "Service Area"); and

WHEREAS, Purchaser is engaged through its operating subsidiaries in the business of furnishing water and sewer service to the public in various communities throughout the United States. Purchaser desires to acquire, and Seller desires to sell the water supply, storage and distribution facilities (the "Facilities") installed to provide service to the Service Area, subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants as hereinafter set forth, the parties hereto agree as follows:

**ARTICLE I**

**REPRESENTATIONS BY SELLER**

Seller represents and warrants that:

- 1) Seller is, and at the closing (the "Closing" as hereinafter defined) a corporation duly incorporated, validly existing and in good standing under the laws of the State of Illinois. Seller's Certificate of Incorporation contains charter powers authorizing them to construct, operate and maintain a public water system.
- 2) Seller has obtained from the Illinois Commerce Commission (hereinafter referred to as the "Commission") a Certificate of Public Convenience and Necessity, and authorization and approval of rates, rules and regulations for water service within the Service Area.
- 3) Seller will cooperate fully with Purchaser in any and all applications or petitions to public authorities deemed necessary or desirable by Purchaser in connection with the purchase of the Facilities from Seller as contemplated herein.
- 4) Attached hereto as **Exhibit 2** is a detailed list of the Facilities of the Seller, as well as a legal description of the real estate upon which the Facilities are situated, to be acquired by Purchaser pursuant to this Agreement. Exhibit 2 will also include the respective installation, construction or purchase costs of the Facilities and associated real estate.

Said Facilities include all water utility assets, equipment and real estate owned by Seller within the Service Area. All Facilities as indicated on Exhibit 2 will be in satisfactory

operating condition as of the date of Closing

- 5) The engineering plans and specifications for the Facilities have been attached hereto as Exhibit 3.
- 6) Exhibit 4 is a list, signed by the Seller, and briefly describing, as of the date of this Agreement, the following:
  - (a) All pending or threatened action at law, suits in equity or administrative proceedings relating to the Facilities and/or involving Seller;
  - (b) All contracts or obligations of any nature relating to the Facilities between Seller and any other party, including all developer agreements relating to the Service Area.
  - (c) All liens and encumbrances with respect to the Facilities owned by Seller to be transferred hereunder.
- 7) Except as indicated in Exhibit 4, there are no pending or threatened actions at law or suits in equity relating to the Facilities, or any pending or threatened proceedings before the Commission or any other governmental agency.
- 8) Except as indicated in Exhibit 4, there are no contracts or obligations of any nature between Seller and any other party relating to the Facilities.
- 9) Except as indicated in Exhibit 4, Seller is, and at the Closing, the owner of the Facilities with good and marketable title, free and clear of all liens and encumbrances.
- 10) Except as indicated in Exhibit 4, Seller has, or at the Closing will have, all necessary permits, licenses and all easements (including sufficient rights to access) for its water utility business as currently operated; the Facilities of Seller have been installed within the easements relating thereto and in accordance with any necessary permits or licenses; the Facilities of Seller have been constructed and will be capable of operation in accordance with at least the minimum standards, requirements, rules and regulations of all governmental bodies, and regulatory agencies which may have jurisdiction thereover.
- 11) Except as indicated on Exhibit 4, Seller has filed all tax returns which are required to be filed, and each such return which has been filed is true and correct, and Seller has paid all taxes shown as payable on such returns, when and as required by applicable law.
- 12) Neither Seller nor any entity or individual affiliated with Seller has executed any agreement with purchasers of lots within the Service Area, or any other parties, whereunder such purchasers or other parties have acquired any interest in the Facilities used or to be used in rendering service to them.
- 13) Between the date hereof and the Closing, the water utility business of Seller will be operated in the ordinary course and Seller will permit Purchaser, its attorneys and agents, to examine Seller's books, accounts, and other records and physical properties relating to

the Facilities.

- 14) Prior to the Closing, the consummation of the transactions contemplated herein will have been duly authorized by all necessary action, corporate or otherwise, on behalf of Seller.
- 15) Except as herein set forth, all of the easements, permits and other contracts of Seller with respect to the Facilities are assignable or, if consent of a third party is necessary, Seller will obtain such consent, prior to the Closing.
- 16) No representation or warranty by Seller in this Agreement, or any statement or certificate furnished or to be furnished to Purchaser pursuant hereto or in connection with the transactions contemplated herein, contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements contained herein or therein not misleading.

## **ARTICLE II**

### **REPRESENTATIONS BY PURCHASER**

Purchaser represents and warrants that:

- 1) Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the State of Illinois, with full corporate power and authority to enter into this Agreement and to carry out the transactions contemplated herein. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated herein have been duly authorized by all necessary corporate action of Purchaser.
- 2) Purchaser shall timely file a petition (the "Petition") before the Commission for transfer of Seller's water utility franchise subject to the terms and conditions of this Agreement and shall use its best efforts to seek such approval.

## **ARTICLE III**

### **CLOSING AND PURCHASE PRICE**

#### **1) Closing**

- (a) The Closing shall take place within **thirty (30)** days of approval of the Petition by the Commission at the offices of Seller's counsel, or at such other time and place as Seller and Purchaser may agree upon.
- (b) At the Closing, the Seller will, upon due performance by Purchaser of its obligations under the Agreement, deliver to Purchaser:
  - (i) such good and sufficient special warranty deeds, bills of sale with covenants of warranty, and sufficient instruments of sale, in form and substance satisfactory to Purchaser's counsel, as shall be required to vest in Purchaser good,

indefeasible and marketable title to all of the Facilities and related real estate used or to be used for the water facilities, free and clear of liens and encumbrances of every nature except as otherwise indicated on the title insurance policy described in paragraph (iv).

- (ii) all of the files, documents, papers, agreements, books of account, customer lists, original cost invoices, engineering drawings, and records pertaining to the water and water utility business conducted by Seller in the Service Area, other than its minute books and stock records, and any other records reasonably needed by Seller;
- (iii) all orders, permits, licenses or certificates issued or granted to Seller by any governmental authority in connection with any authorization related to the construction, operation or maintenance of its Facilities or the conduct of its water and water utility business; and
- (iv) a title insurance policy in an amount of \$25,000 for all of the real estate listed on Exhibit 2 showing good and marketable title in Purchaser, subject only to the standard title exceptions, and such other exceptions as are reasonably acceptable to Purchaser. In the event there are title exceptions which are not acceptable to Purchaser, this Agreement shall terminate and neither party shall have any further obligations hereunder.
- (v) An opinion of Counsel for Seller, dated as of the Closing, that upon the execution of this Agreement by Seller and delivery to Purchaser of the Bill of Sale for the Facilities (other than real estate) Purchaser will have all of Seller's title to the Facilities (other than real estate) free and clear of any liens and encumbrances reflected by a filing under the Illinois Uniform Commercial Code with the Department of State, as of a date no earlier than ten days prior to the Closing.
- (c) At the Closing and from time to time thereafter, Seller shall execute and deliver such further instruments of sale, conveyance, transfer and assignment, and take such other action as Purchaser may request, in order more effectively to sell, convey, transfer and assign to Purchaser any of the Seller's Facilities, to confirm the title of Purchaser thereto and to assist Purchaser in exercising rights with respect thereto.

**2) Purchase Consideration**

The Purchase Price shall equal **\$150,000.00** (ONE HUNDRED FIFTY THOUSAND DOLLARS), increased by the amount of any current and/or accrued customer accounts receivable (which Seller represents and warrants will be collected at their face amount) transferred by Seller to Purchaser and decreased by any and all liabilities (current,

accrued, long-term or other) assumed by Purchaser. Property Taxes (real and personal) shall be pro-rated based on the date of Closing and on the tax assessments and tax rates in effect for the previous year.

#### **ARTICLE V**

##### **COMMISSION APPROVAL**

Within **thirty (30)** days following execution of this Agreement, Purchaser will file a Petition with the Commission requesting approval of this Agreement; transfer of the Facilities and the Public Utility Franchise; and approval of the rates, fees, and charges applicable to water utility customers in the Service Area. The parties agree to cooperate fully with each other in connection with the applications referenced herein.

#### **ARTICLE VI**

##### **GENERAL**

- 1) The failure of either party hereto to enforce any of the provisions of this Agreement or the waiver thereof in any instance by either party shall not be construed as a general waiver or relinquishment on its part of any such provisions, but the same shall, nevertheless, be and remain in full force and effect.
- 2) Any notice of delivery required to be made hereunder may be made by mailing a copy thereof addressed to the appropriate party as follows:

If to Purchaser:                      Utilities, Inc.  
2335 Sanders Road  
Northbrook, IL 60062  
Attn: Jim Camaren  
Chairman & Chief Executive Officer

If to Seller:                              Community Service Corporation  
10705 Pheasant Lane  
Woodstock, IL 60098  
Attn: Mr. Russell Cashmore  
President  
(815) 385-7797

Delivery when made by registered or certified mail, shall be deemed complete upon mailing.

- 3) The Exhibits to this Agreement are a part hereof and are hereby incorporated in full by reference.
- 4) This Agreement shall be governed by the laws of the State of Illinois.
- 5) The representations and warranties contained herein shall survive, and continue in effect after the Closing. Purchaser agrees to indemnify Seller, its successors and assigns, and hold it harmless against any loss, damage, liability, expense or cost accruing or resulting from any misrepresentation or breach of any representation, warranty or agreement on the part of Purchaser under this Agreement or from any misrepresentation in or material

omission from any certificate or other document furnished or to be furnished to Seller by Purchaser; Seller agrees to indemnify Purchaser, its successors and assigns, and hold it harmless against any loss, damage, liability, expense or cost, accruing or resulting from any misrepresentation or breach of any representation, or warranty or agreement made or to be performed by Seller under this Agreement or from any misrepresentation in or material omission from any certificate or other documents furnished or to be furnished to Purchaser by Seller.

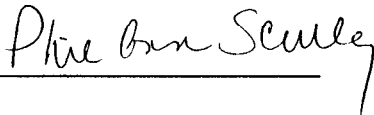
- 6) If this Agreement is not executed by both Purchaser and Seller prior to **November 17, 2000**, then the terms and conditions herein are waived with no further obligations or responsibility to either party.
- 7) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. It is specifically understood that Purchaser intends to transfer its rights and obligations under this Agreement to a separate wholly-owned subsidiary of Utilities, Inc.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year above first written.


UTILITIES, INC.

By \_\_\_\_\_  
Chairman & Chief Executive Officer

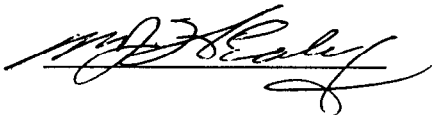
ATTEST:

\_\_\_\_\_  
Phil Ben Scully

COMMUNITY SERVICE CORPORATION

By \_\_\_\_\_  
Linda R. [unclear]

ATTEST:

\_\_\_\_\_  
[unclear]

In the matter of the application of the :  
Community Service Corporation for a :  
certificate of convenience and necessity :  
for authority to construct, operate and :  
maintain a public water supply system and to : 45625  
transact a public water utility business in :  
unincorporated areas being located in Sec- :  
tions 17 & 18, Township 44 North, Range 9 :  
East of the Third Principal Meridian in :  
McHenry County, Illinois. :

### ORDER AND CERTIFICATE OF CONVENIENCE & NECESSITY

*By the Commission:*

On December 24, 1958 Community Service Corporation filed its verified petition for a certificate of Convenience and Necessity to construct, operate and maintain a public waterworks in certain unincorporated areas located in Sections 17 & 18 in Township 44 North, Range 9 East of the Third Principal Meridian, near the Village of Island Lake, McHenry County, Illinois, and to transact a public water utility business in the proposed areas.

Pursuant to notice as required by law and the rules of this Commission a hearing was held on January 21, 1959, before a duly authorized Examiner of the Commission at its offices in Chicago, Illinois. At the conclusion of said hearing the case was marked "Heard and Taken".

At said hearing Petitioner was represented by counsel and offered evidence in support of the application. There were no other appearances.

The Petitioner presented evidence that the area described in its petition is divided into four plats:

- Plat 1 is commonly known as Holiday Hills, Unit #1:
  - Plat 2 is commonly known as Holiday Hills, Unit #2:
  - Plat 3 is commonly known as Holiday Hills, Unit #3:
  - Plat 4 is commonly known as Lot B, Holiday Hills,
- each other and in which it is proposed to build approximately 650 homes.

- The Commission, having given due consideration to the application and to all the evidence, both oral and documentary, and being fully advised in the premises, is of the opinion and finds:

State of Illinois  
ILLINOIS COMMERCE COMMISSION

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- (1) that Community Service Corporation, Petitioner herein, is a corporation duly organized and existing under and by virtue of the laws of the State of Illinois, with charter powers to construct, operate and maintain a public water works to furnish water service to the public in the State of Illinois, and as such is a public utility within the meaning of "An act concerning public utilities", as amended: that said Petitioner has made application to this Commission for a certificate of convenience and necessity for authority to construct, operate and maintain a public water works in the areas hereinafter described in finding (45) of this order; that by reason of the foregoing, the Commission has jurisdiction of the subject matter herein and of the Petitioner:
- (2) that notice of the hearing was given pursuant to law and to the rules and regulations of this commission:
- (3) that Petitioner proposes to construct, operate and maintain a public water works consisting of a well, pumping equipment, distribution water mains, and other necessary water facilities, and to transact a public water utility business in the area more particularly described in finding (4) of this order:
- (4) that there is a need and demand of public water utility service in the areas proposed to be served by Petitioner: that there is not other public water service in said areas now available to adequately serve and meet said demand in those areas, all located in Township 44 North, Range 9 East of the third Principal Meridian, near the Village of Island Lake, McHenry County, Illinois, and more adequately described as follows:

Holiday Hills Unit No. 1 being a subdivision of part of the Northwest Quarter of Section 17, also part of fractional Section 18 in Township 44 North, Range 9 East of the Third Principal Meridian and fully described and shown in detail on Petitioner's collective exhibit #1 and introduced as evidence in this case:

Holiday Hills Unit No. 2 being a subdivision of part of fractional Section 18, Township 44 North, Range 9 East of the Third Principal Meridian, lying on the Easterly side of the Fox River and fully described in detail and shown on Petitioner's collective exhibit #1 and introduced as evidence in this case:

Holiday Hills Unit No. 3 being a subdivision of part of the West Half of fractional Section 18, township 44 North, Range 9 East of the Third Principal Meridian, lying on the Easterly side of the Fox River and fully described in detail and shown on Petitioner's collective exhibit #1 and introduced as evidence in this case:

Lot B Holiday Hills Unit No. 3 being a subdivision of part of the West Half of fractional Section 18, Township 44 North, Range 9 East of the Third Principal



Meridian, lying Easterly of the Fox River as shown on the plat of Holiday Hills Unit No. 3 and fully described and shown in detail on Petitioner's collective exhibit #1 and introduced as evidence in this case:

Said four subdivisions being contiguous with each other.

- (5) that the construction, operation and maintenance of a public waterworks in the areas described in finding (4) above, and that the transaction of a public water utility business in the aforesaid areas will promote the public convenience and is necessary thereto: that a Certificate of Convenience and Necessity should be granted to Petitioner for the construction, operation and maintenance of the aforesaid utility facilities, and for the transaction of a public water utility business in the particular areas described in finding (4) above, all as herein set forth: and
- (6) that a schedule of rates, rules regulation and conditions of service applicable to water service for the areas described in finding (4) above, should be filed with this Commission and posted in each of the Company's offices before exercising the authority herein conferred with respect to engaging in the business of furnishing public water service to the public.
- IT IS HEREBY CERTIFIED that public convenience and necessity require the construction, operation and maintenance of a public waterworks in the areas described in finding (4) of this order, and the transaction of a public water utility business in the particular aforesaid areas by Community Service Corporation.
- IT IS THEREFORE ORDERED by the Illinois Commerce Commission that the above Certificate of Convenience and Necessity be, and it is hereby granted to Community Service Corporation for (1) the construction, operation and maintenance of a public waterworks in the areas described in finding (4) of this order, and (2) the transaction of a public water utility business in said areas: and said certificate is issued pursuant to Section 55 of "An act concerning public utilities", as amended.
- IT IS FURTHER ORDERED that a schedule of rates, rules regulations and conditions of service applicable to water service in the areas described in finding (4) of this order, shall be filed with the Commission and pasted in every station or office of the Community Service Corporation where the public transacts business with said public utility, before exercising the authority herein conferred with respect to engaging in the business of furnishing public water service to the public.
- IT IS FURTHER ORDERED that the foregoing certificate is granted upon the express condition and provision that authority and permission to use the lands to be